

**ARIZONA STATE PARKS BOARD
1300 W. WASHINGTON STREET
PHOENIX, AZ
MAY 17, 2007
MINUTES**

Board Members Present:

William C. Cordasco, Chairman
William Scalzo
Arlan Colton
Reese Woodling
Tracey Westerhausen
William Porter
Mark Winkleman (arrived at 10:05 a.m.)

Staff Present:

Kenneth E. Travous, Executive Director
Jay Ream, Assistant Director, Parks
Jay Ziemann, Assistant Director, External Affairs and Partnerships
Mark Siegwarth, Assistant Director, Administration
Debi Busser, Executive Secretary
Doris Pulsifer, Chief of Grants

Attorney General's Office

Joy Hernbrode, Assistant Attorney General

A. CALL TO ORDER - ROLL CALL – 10:00 A.M.

Chairman Cordasco welcomed new Board members Ms. Westerhausen and Mr. Colton to the Board.

B. INTRODUCTIONS OF BOARD MEMBERS AND AGENCY STAFF

Parks Board members introduced themselves. Mr. Travous then introduced new Parks Board member, Ms. Tracey Westerhausen.

Ms. Westerhausen then told the Board a little about herself. She stated she grew up in Arizona. Her parents taught her to love all of Arizona. It is a thrill for her to participate on the State Parks Board.

Mr. Travous noted that in talking with her he can tell Ms. Westerhausen is well-versed when it comes to down-town Arizona politics.

Mr. Travous then introduced new Board member Mr. Arlan Colton. He noted that he's known Mr. Colton for some years and that Mr. Colton was instrumental in the Growing Smarter legislation. Over the years he's been with the State Land Department and is now with Pima County.

Mr. Colton noted that he's been in Arizona since 1973 when he came out from back East to go to college and has been here ever since. He has been doing this for 29 years – with the Airport Authority in Tucson, with the State Land Department twice, in the private sector, in private practice, and with Pima County. This opportunity to serve on the

Parks Board is something is something very different and he looks forward to working with everyone on this Board.

Mr. Travous noted that Mr. Colton only has a three-year term with Board because he is replacing Ms. Chilton, who resigned some time ago.

C. CONSENT AGENDA

- 1. Approve Minutes of March 15, 2007 Arizona State Parks Board Meeting**
- 2. Designation of Park Ranger Law Enforcement Officer** - Staff recommends that the Arizona State Parks Board designate Myke Steighler as Arizona State Parks Law Enforcement Officer.

Board Action

Mr. Porter: I move approval of the Consent Agenda.

Mr. Woodling seconded the motion. The motion carried unanimously.

Ms. Hernbrode noted that there is a Time Certain of 10:15 a.m. for the Board to receive a presentation from Arizona State Parks (ASP) Information Technology (IT) staff.

The Board moved to Agenda Item E.5.

E. EXECUTIVE STAFF UPDATES

5. Update on Tamo

Mr. Travous reported that there's not much going on with legislation. He reminded that Board that last year the state legislature agreed to build a state climbing park just east of the town of Kearney. Because of the rock climbing that was going to be lost in the land exchange in the Resolution Copper Land Exchange, the copper company looked for new rock climbing, found it east of Kearney, and thus began the process of creating this climbing park. By most people's evaluation this is one of the best in the US.

Mr. Travous noted that the legislation did not get passed last summer in the Congress, as staff suspected would happen. Since then, Congress has changed so the people who were in control of Congress are no longer in charge. The real committee members are Congressman Grijalva, who is the Chairman of the sub-committee that will hear the bill, and Congressman Pastore - and Congressman Pastore will be very important in the process. It appears that Senator Kyl and Senator McCain are still working on the Senate side of it. Because of the issues with Congressman Renzi, who was going to introduce the bill, there is reluctance to go ahead with any kind of land exchange language until they are sure everything is clear. They don't want to be tainted by this issue. Some people believe it could be a year out before this bill goes before Congress. He told his staff to pull back until we see it moving forward again, as hard as that is, with anything we are doing because it could be time and money ill spent. As staff receive more information along those lines, he will update the Board. He has a little packet for the new Board members that he can give them on the climbing park.

2. Update on San Bernardino Ranch

Mr. Porter reported that at the last meeting he was authorized to go into a negotiating mode with Mr. Harvey Finks on the San Bernardino property. He met with Mr. Finks in person, talked by phone, exchanged a number of letters, and had mutual discussions with the US Fish and Wildlife Service (USF&W). They are kind of at an impasse in the sense that Mr. Finks wants to give Parks that property but he is loathe to give the level of money that the Board indicated it needed in order to properly be able to endow this operation. He indicated a willingness to give \$250,000 towards it. He has sort of backed off and indicated that, at least for a while, he is going to continue to operate the land for the museum on his own through his foundation. Discussions have not been severed. He believes that he and Mr. Ream are reasonably optimistic that it will probably still eventually work out. The USF&W people are extremely upset and nervous because they are anxious to get this done. It will operate and it will move at Mr. Finks' level and at his pace. He is pleased that, at least, it is at a point where he is no longer looking at having to get rid of it. In the beginning there was a real risk of that property simply going into hands that were not willing to properly conserve it.

Chairman Cordasco thanked Mr. Porter for his efforts on this project.

D. BOARD ACTION/DISCUSSION ITEMS

1. Strategy- Time Certain: 10:15 a.m.

a. The Board needs to be proactive on the issue of growth - Presentation by Information Technology on PAMS Growth and Conservation Planning

Mr. Travous reported that the Board requested staff to cover history frames of the agency and the seven points staff are concentrating on this year. Today staff will talk about growth and will combine history with it. At the last meeting Mr. Eatherly gave the Board an update of what planning took place at ASP over the last 25, 30 and 40 years. He provided copies of the books we did. In those days, planning entailed people getting together, sometimes they had maps or sometimes they just had knowledge about a place, and they got together and talked about it.

Mr. Travous noted that the world is changing, even as we are sitting here zooming in on properties on the screen. He stated that after he showed the Board MAG's presentation on Growth, he went back to his IT staff (Christina Garza, Laura Burnette, and Tom Tyndall), and asked them what information they had put together, combined with what MAG has already done regarding population growth to give an idea for planning and feeling for what's going on in Arizona from a natural, cultural, and resource standpoint.

Mr. Travous noted that that was 2 months ago. He was amazed at what they could do. Because of our investment over the last 3-4 years in technology and because of our investment in getting staff (Ms. Garza, Ms. Burnett, and Mr. Tyndall) to work that technology, we are at a brave new world. They combined the Geographic Input Information System database with Google Earth and started doing layers upon layers. He was a planner 25-30 years ago. There was a man from Morristown, PA, a Neil McCard, who wrote a book called, "Design With Nature". His way of going about planning was taking acetate pieces of mylar and putting it over a map and drawing his information and got a bird's eye kind of approach. In the early 1980s we came out with another database information system that could let one look at land from different

value perspectives. A couple of years ago the Board and Staff began talking about PAMS. He had noted that the problem with these systems is that they are so labor-intensive in getting the information into the system. That's not the case anymore. He was stunned to see, with all the satellite imagery that's available to us now and all the things that was talked about 30 years ago, that it can be done in an instant now. The following presentation was shown to the Governor's Growth Cabinet and, in the middle of last week, the Open Space group. At the Open Space meeting, a member of the Growth Cabinet mentioned that people should see what ASP is doing. Staff are now getting phone calls from all over the state to find out what we're doing. There have also been some phone calls internally. This has not been vetted internally or externally yet. What will be presented is just a tool. No decisions have been made; but staff want to show the tool that is available to us now on a grand landscape type of basis to do some planning. He then asked Ms. Burnette to begin the presentation.

Ms. Laura Burnette began the presentation. She reported that a few months ago Mr. Travous gave the IT group the presentation from Maricopa Association of Governments (MAG) on growth. Shortly after that they were asked to see what they could bring together. They did some background research. A lot of work has already been done in Arizona. They began by searching for criteria to use. They found, generally, whether people were looking at open space, biodiversity in wildlife, or recreation most people who were interested more or less were using the same criteria when they looked at the land. They found that a lot of criteria could be represented in the Geographic Information System. Their goal became to see how they could bring everything that has been done already involving criteria that people have been using in the past in a user-friendly way – all in one place.

Ms. Burnette stated that they began looking at where everything overlapped. The agency's enabling legislation includes the word, "select". It is part of our Mission to evaluate what needs to be preserved. It is a challenging path. Arizona is a big state. Staff figured out that if they sat down and looked at the open space potential at one acre per second it would take about three years. They only had a couple of months.

Ms. Burnette added that another challenge is that there is a vast amount of existing data. All of the data that exists are disbursed statewide within different agencies. They are in different formats. One just can't make maps and overlay the layers because of the large numbers of layers.

Ms. Burnette stated that they began looking at different ways to bring the information together. Part of the strategy was to look at what criteria others used. Most people said riparian areas should be preserved. They gave points for preserving riparian areas. Most people said we should preserve critical habitats. They gave that points. What they have done, basically, is divided the state into a grid and for each piece of land divided them into the criteria layers using the points for each habitat that should be preserved. They are currently looking at 19 different critical habitat layers. Riparian areas have been identified in the Board Report. She stated that the result of this is something that will show the lowest and highest scoring on the model. She then demonstrated how this is used on slides on the PowerPoint presentation. She noted

that the model is not complete. They need more input on what layers to include. She noted that they can start filtering by land ownership and demonstrated on the slides.

Ms. Burnette noted that they started to bring everything into Google Earth. She showed the state land trust model results on the slide and noted that it includes National Parks, BLM National Monuments, and Arizona State Parks. Users can look at where the growth will be in the near future. Users can turn on various plans to see what needs to or should be preserved. It shows how Tucson and Phoenix will begin to grow together. She demonstrated how this tool can be used to show how planned growth and development can be used to see the effects on local, county, and state levels.

Mr. Tom Tyndall then began his portion of the presentation demonstrating how this tool can be leveraged in the decision-making process. There are new tools out there now, but Google Earth is the best right now. He reported that in 1984 ASP compiled a statewide inventory of lands that had potential value of future state parks. The result of that report was 120 sites; each site had a short description and some location information (township and range coordinates). From that report, it was not easy to visualize these locations. They took that report and created a layer that they could bring in. It allowed them the ability to click on a location from the report and zoom in and start to understand the context of the land. He stated he would take the Board to three locations from that report as a demonstration of how ASP would use this tool. It does not stretch the imagination to see how this tool could be used in other domains.

Mr. Tyndall stated that the first location he would take the Board to is Butterfield Stage Station. The Butterfield Stage wound through Arizona in the late 1850s. They were the first transcontinental overland route. This is one of the original stage stations. They began by getting information from the database. He pointed out a historic cistern. He demonstrated how the tool could be used to show how the original road underlies a modern road. One of the powers of Google is the ability to tag additional information to locations. We now have the ability to organize information by geographic locations that could be distributed to decision-makers. He demonstrated site photo locations collected in 1984. He demonstrated how pre-set views can be prepared. He took the Board on a little tour of the area using this tool.

Mr. Tyndall then took the Board to Thomas Canyon, located in the Baboquivari Mountains in Southern Arizona. He pointed out Baboquivari Range. The valley is drained by Agua Fria Creek in Buenos Aires National Wildlife Refuge. He noted that the model results indicate the eastern slope of the Baboquivari Range scored high in the model. He pointed out the Thomas Canyon on the slide. He showed on the slide how to acquire information on the property to get a sense of what the land looks like. He demonstrated how to get views of the property. He noted that to this point, the information is all contained on Google. At this point he demonstrated what happens when our own information is brought in, such as drainage, and start to understand how the area drains. More detail can be created by bringing in hydrological information. He demonstrated the information that could be acquired by using various layers.

Mr. Tyndall then took the Board to Redfield Canyon to emphasize the visualization power of this tool. It is east of the Catalina Mountains where Pima County, Cochise County, and Graham County come together. Anyone who works with Google for a

while will be familiar with the fact that Google does not have high resolution for all locations in the state. This is one of those locations. That doesn't have to limit us. We can overlay our own high-resolution imagery to get a better view of what the landscape is. Other imagery can be brought in as well. He demonstrated use of other overlays to gather more information.

Mr. Tyndall then went to San Rafael Ranch and showed the historic buildings. He noted that Google Earth can geo-reference photo images. He pointed out the main house, craftsman shop, barn structures, and corrals. By bringing in our own imagery and overlaying it on top we get a different view of the imagery of the area. In using Google Earth one can geo-reference photo images. He was in the area recently and took several photo locations. He also geo-referenced those locations so he knew where they were taken from. From that information, we can see what the view looks like from those locations.

Mr. Travous noted that there is a camera that costs less than \$1,000 that can reference locations for GPS.

Mr. Porter asked what this camera is.

Mr. Travous responded that it is a camera that contains a GPS and a compass. One could go on a trail and take photos and it will send it to the satellite to go through GPS. When one gets back, one can see the picture taken, where it is on the planet, and what direction was being faced when the picture was taken. People are actually doing trail walks and taking pictures along the trail and then sending them off to cell phones.

Mr. Tyndall added that staff are looking at a number of these cameras. Some don't have the GPS included or it's outdated.

Mr. Tyndall stated that Google also includes tools where the public can access information. There is a website where people can upload trails. People can explore the landscape and see what's there without having 10 people go to the site.

Mr. Colton asked if there is justification for all these tools coming from different places to search for different information.

Mr. Tyndall responded that Google is just an information level for the most part. All this information on land ownership information, open space plans, etc., were created in the GIS software. We are exporting that and using Google Earth for visual background. They are not created there. Regarding the geo-referencing and how close the alignment is between our layers are with Google, it's not perfect. This is not the tool one wants to use to see if there is a tree on your property. It gives a broad scope to start to see how layouts are distributed; how ownership is distributed. This tool is more of a big picture thing. It shows that there're large tracts of state trust land along the eastern ridgeline at Thomas Canyon as well as BLM land. The alignment can be made better by investing a lot more effort into it. But the extra effort to get an extra 5% better accuracy or 20% better accuracy was not necessary for this presentation.

Mr. Travous stated that this presentation was to be presented to the Governor this afternoon, but she has become tied up for the afternoon. He has been asked to give the State Land Department, Game and Fish Commission, and others who want to put their

information into this tool to make it a more internally collaborative effort. It will be sent to the Governor sometime down-the-road.

Mr. Porter noted that he believes this is the first time at any meeting we've had since the Board started this process three years ago where the Board has heard the magic words, "we are the leader". That is where the Board has been trying to get. Chairman Cordasco started the Board down this road with his experiences at Babbitt Ranches and other things he was doing. Mr. Cordasco has done the Board a tremendous service.

Chairman Cordasco thanked staff for their efforts and noted that the presentation was mindboggling to him.

3. Presentation by Western Arizona Law Enforcement Association Academy

Mr. Ream reported that Chief Robert DeVries is from the Kingman Police Department and will speak regarding the Western Arizona Law Enforcement Academy Association. They are requesting to use the Lake Havasu Water Safety Center for a police academy. This dovetails into the growth presentation the Board has just seen. The amazing growth of Arizona and the retirement of a lot of law enforcement officers have created a great demand for law enforcement academies. ASP uses the CARLOTA academy (Central Arizona Regional Law Enforcement Training Academy). Staff does not know how long we will be able to use that academy. It is in Pinal County. Pinal County is the fastest-growing county in this state. This morning the Board recognized a graduate from that academy and gave him his law enforcement authority. Our place there is tenuous as well even though we've been using them for some 15 years because there are larger agencies going after them.

Mr. Ream reported that he met with Chief DeVries to discuss a law enforcement academy that we could participate in and call our own. He introduced the Board to Chief Robert DeVries.

Chief DeVries addressed the Board. He stated his appreciation for the opportunity to come before them this morning. He stated he currently has the honor of serving as the Chairman of the Western Arizona Law Enforcement Association. They formally organized about two years ago. It was the first time they've had an organization of law enforcement agencies in Mohave and La Paz County as well. They represent all of the local, county, state, federal, and three tribal agencies in their organization. A big component of their association is Training. Training involves not just the in-service officers but also they recognize the growth going on the area. About a year ago they began to explore the potential of a home academy in the northwest region – something that has been lacking. Last year they ran an academy through a partnership with the Mohave Community College, who also has representatives present today. That academy was evaluated. Two things came out that were lacking; one was law enforcement leadership regarding command structure. All of the partners have said they will step forward and fill that void. The second item that was found lacking was the lack of a permanent home – a place where they could function. They began to look at dollars to build their own facility. They looked at how could they could most cost-effectively partner with other entities. Lake Havasu PD brought forth the concept of possibly using the Water Safety Center. They toured the facility and met with Mr. Ream. This facility fits their needs.

Chief DeVries stated that they are coming before the Board as an association partnership in their area. They are asking for the Board to consider allowing them to work with staff to conduct a few academies there and perhaps partner with the Board to develop a long-term plan for that facility. It would be most cost effective to the taxpayers rather than having a standalone training academy somewhere else. It would possibly be the best utilized resource for a multitude of other agencies.

Chief DeVries noted that he had distributed a notebook to the Board that provides an overdraft. He knows the AZPOST is willing to provide a long-term capital investment for a training facility in their area.

Mr. Porter stated he is sure Chief DeVries understands that, from the Board's standpoint, that it would have to be a temporary thing because the Board will be developing Contact Point. Because it will be a Master Plan it is impossible to know exactly how that particular building will fit into the big picture. The Board will also be doing a lot of other development. The Sheriff of Mohave County, Tom Sheehan, is very involved as a partner of the Contact Point process because they already have an operation sited there in coordination with other agencies. They are interested in staying in that area and presumably they would have a facility. Perhaps the academy could be fit into that kind of planning. As he understands it, Chief DeVries' organization is aware of that.

Mr. Porter added that he heard Chief DeVries give some figures at a meeting in Kingman yesterday. He noted that his association's concerns buttress up what Mr. Ream said earlier about the difficulty the Board may encounter in placing our recruits. He asked Chief DeVries to share those figures with the Board.

Chief DeVries responded they face a double-edged sword. They have recruits, and the biggest problem they have is finding seats at the academy. Phoenix PD at this time has 28 seats reserved. DPS has 20 seats. That's 48 seats out of a total of 56 slots per academy. Being in the northwest region, they don't have as much clout in getting their recruits into an academy. Pinal County is aware of what they are trying to do and have asked for seats in their academy should they get it up and running. It is a significant problem for any agency that has training needs. The City of Phoenix has been required to add 500 additional officers.

Mr. Woodling asked if any ASP capital expenses will be required for this facility.

Chief DeVries responded that it will need to be looked at. He doesn't believe that there will be much in regard to capital. They have another partner, the Arizona State Prison in Kingman, who will provide in-service work for their inmates.

Mr. Porter noted staff are looking for approval by the Board for staff to go forward with negotiations with these folks and to give staff authority to operate a couple of experimental academies.

Mr. Ream responded that that is what he's looking for today. He noted that this facility, since being built, has been underutilized. The Sheriff has moved out. He has offices in the building. He has moved out to the water. The Coast Guard, who has offices in that building, has left the state. They return on some holiday weekends, but the Coast Guard is no longer putting a contingent on the property. The Coast Guard Auxiliary

uses that property at night to hold their meetings and to train. ASP also conducts training in the evenings. During the day, our Regional Manager, our clerk, the IE program are in the three offices adjacent to the classroom. He stated he would ask this Board to say that if it's a net zero cost to ASP that we could potentially (if we can work out liability issues and those details that come with an IGA with Mohave Community College) we could put on a couple of academies there to see how it works. We would get them out of a bind and utilize that building better.

Mr. Travous noted there is one caveat to that. This may not be the long-term solution because, just like the Chemehuevi, we are beginning a long-term planning process and there might be other uses that are more appropriate.

Mr. Porter noted that, to get something before the Board to discuss, he wished to make a motion.

Board Action

Mr. Porter: I move that the Parks Board authorize negotiations by Parks staff towards an IGA with either the County or Mohave Community College or the Western Law Enforcement Association for the operation of a training academy at the Contact Point location of Arizona State Parks based upon a net zero cost to Arizona State Parks.

Mr. Woodling seconded the motion.

Mr. Scalzo asked what staff mean by "net zero".

Mr. Ream responded that, really, ASP's cost to send a cadet to the academy is minimal anyway; it's their salary and equipment that costs. The academies would really be run by officers from the Kingman PD and from Lake Havasu PD who act as general instructors, squad leaders, class sergeants, and who head up the class. The Director of the Law Enforcement Academy of Mohave County Community College acts as Director to the academy. In effect, we do send our cadets there; the money that the agency spends in effect will be any travel money or any equipment they need which we would purchase for them anyway no matter which academy they attend. His net zero idea was that if the electricity bill goes up \$500 per month or \$1,000 per month based on the academy being there, that this academy picks up that increase and that Arizona state does not bear any cost increase by this operation. We have partners in that building and will have to get their permission to move forward. They help pay that bill.

Mr. Colton asked if this building is paid for.

Mr. Ream responded that it is. He also noted that there is no money to be made in police academies. He reported that this building was paid for with State Lake Improvement Funds (SLIF) money for the purposes of water safety instruction.

Chairman Cordasco called for a vote on the motion on the floor. The motion carried unanimously.

- 2. Consider Staff Recommendations for Funding 2006 2nd Cycle Historic Preservation Heritage Fund Grant Projects** – Staff recommends awarding \$647,299 to the 8 highest scoring grant applications listed on the Summary List.

Mr. Ziemann introduced Ms. Doris Pulsifer, Chief of Grants, to review this Agenda Item.

Ms. Pulsifer referred the Board to page 6 of the Board Packet containing the summary of the applications received for the second cycle of the Historic Preservation Grant Projects. She reported that they had a very good first cycle. This cycle had a total of \$724,000 available for grant awards. A total of \$986,000 was requested by 12 applicants. Staff recommend that the 8 highest-scoring applications be funded. A summary of each application is contained in the Board Packet.

Mr. Porter noted that staff recommend funding the top 8 projects. The Strategic Plan says that we have to have 70% to approve those 8. We have certainly met the requirement of 70% of those that are funded as being high-priority which means to score 80 points or higher. His math would be that since the top 5 are over 80 points and the bottom 3 are lower, it doesn't meet 70%. Five out of eight is only 60 and some odd percent.

Mr. Travous responded that, to answer Mr. Porter's question, the Board would violate its Strategic Plan by approving the last project on this list.

Mr. Porter stated he presumes that the Board has the discretion if they chose to do it.

Mr. Travous responded that it is the goal and is not required under statutes or Rules. It is meant to ensure the Board funds the most important projects.

Ms. Pulsifer noted that in the past the Board has voted to lower the line, based on money that was available.

Mr. Porter noted that the Board has deviated from policy in the past.

Mr. Colton noted, regarding the 70% goal, that the first project below the line was a request for \$76,000 and that there is an uncommitted balance of \$77,000. He asked if that was the reason for that program not being funded.

Ms. Pulsifer responded that it's not that it can't be funded because there is enough money to fund it. Staff were just trying to stay within the Strategic Plan.

Mr. Ziemann add that that's why the line is where it is. There is money to fund below the line.

Mr. Colton asked how often the Board stays within that goal of 70%.

Mr. Porter responded it is not very often.

Ms. Pulsifer added that she has seen it come down below the line. Sometimes it's based on the applicant coming to the Board meeting to fight their case.

Mr. Porter asked if there were any people present to speak on this issue.

Chairman Cordasco stated that a Mr. Bell wished to address this issue only if necessary. He is not this applicant.

Mr. Woodling noted that on the first column of page 6 of the Board Packet under Recommended Project Cost, and just taking San Xavier East Tower, they requested \$150,000. If this is approved, does this become a matching fund?

Ms. Pulsifer responded that it is a 40/60 matching grant. They can match higher if they wish.

Mr. Woodling asked if there is a time limit for them to match and if they can't, then does the money go away?

Ms. Pulsifer responded that when they apply they commit so much money or resources to the project and say how much they will put towards their match. They may have bigger overall projects, and they may need more money. They can over match but they must meet the requirements of the matching part of the program.

Mr. Woodling asked how much time they have.

Ms. Pulsifer responded that the project period is three years.

Mr. Ziemann added that they have to demonstrate that they have the capability and set aside the match when they make application. They have to have the match while they are completing the application. This is a reimbursement. They go out and do the work and send the bills in. At that time we send them the money. We reimburse their actual expenses up to \$150,000.

Board Action

Mr. Porter:

I move that the eight (8) highest scoring applications be recommended for funding in the 2006 2nd cycle Historic Preservation Heritage Fund in the amount of \$647,299.

Mr. Scalzo seconded the motion. The motion carried unanimously.

Chairman Cordasco noted that the Board seems to ask the same questions when they come to this process. He asked if there is some sort of summary that could be mailed as a cover that answers these questions that are always asked.

Mr. Porter noted that, when he first came on the Board, it took him a while to figure out how these grants worked.

Mr. Ziemann responded that staff try to do a Grants Primer in September when the Board reviews all the applications for all the grant programs. Staff take the time at that meeting before the nuts and bolts discussion of each grant program to give an overall view of what the Board is doing and how these individual programs work. This particular grant program is odd in that it is a separate cycle. Staff will put together a little primer – an overall document – for the September Board meeting.

Mr. Travous suggested staff have it for the July Board meeting.

Chairman Cordasco called for Recess at 11:32 a.m.

Chairman Cordasco reconvened the meeting at 11:45 a.m.

E. EXECUTIVE STAFF UPDATES

1. Update on Contact Point

Mr. Ream noted that there was a presentation earlier on Contact Point regarding the law enforcement academy. At the last Board meeting the Board authorized the use of State Lake Improvement Funds (SLIF) money from the grants side for use of planning at Contact Point. Staff sent a letter to JCCR asking them to review that authorization. He deferred to Mr. Ziemann to update the Board on how that is going.

Mr. Ziemann reported that ASP was on an agenda to have that reviewed by JCCR yesterday. Because of some questions that were raised by various state legislators, most specifically Representative Russell Pearce, staff requested to be pulled from yesterday's agenda to better prepare information for Representative Pearce. He had questions about the carrying capacity of the lake – not necessarily of the park there – but of the number of boats on the lake. His concern was that if the lake is as crowded as it appears on weekends and holidays, why would ASP be developing Contact Point and putting more people on the lake? Rather than just try to answer anecdotally, staff felt we should pull back, try to gather that information, elicit support of some of the folks in Mohave County – specifically the Sheriff, the Mayor, etc. – to come and address the committee as well. JCCR staff and Senator Burns (Chairman of the committee) allowed ASP staff to have this item pulled. We will be on a future JCCR agenda.

Mr. Porter added that, to understand how this is important to the people in Mohave County and how supportive they are, he was surprised when Mr. Ziemann called him and asked if he would get in touch with the Sheriff, the Mayor of Lake Havasu, and others and let them know what was happening. That was this past Tuesday, the day before the hearing. They made it very clear that if they needed to, the Mayor, the City Manager, and the Sheriff would drop what they were doing and get on a private plane and fly to Phoenix by 8:00 a.m. Wednesday to be present at that hearing if they were needed for backup. Fortunately, that did not have to happen. They were very clear that they were going to very strongly get themselves ready for that hearing and that they will be there in force to give staff whatever back-up we need.

Mr. Porter stated that they also have launched a very strong effort to, in the meantime, through their own legislative contacts, start getting answers to these questions to Representative Pierce, in particular, and others before that hearing so that hopefully some of it can be diffused before we get into a hearing.

Mr. Ream stated that the final point he had on Contact Point is that he will be meeting with the Chemehuevi on May 24-25 to finalize the MOU the Board approved at the last meeting.

Mr. Woodling noted that the SLIF funding was an issue where an applicant requested money for non-motorized boats. He asked if he was confusing this with another grant.

Mr. Ream responded that the answer to that question is yes and no. They are somewhat tied together. He deferred to Mr. Ziemann because it is a political issue.

Mr. Ziemann stated that he would go back a little bit. In September 2006 the Board voted to award many SLIF grants. Two, in particular (one for some planning of a lake

in Buckeye and one for a development of boat access in Bullhead City), caused concern. The Buckeye Lake application from AORCC (the Board's Advisory Committee) to the Parks Board was uncomfortable for everyone. Even the people from Buckeye acknowledged the fact that their grant application was probably premature because they did not know the exact size of the lake; they didn't know lots of things. The initial request was for about \$4.5 million from the SLIF. That request was cut way back to about \$500,000.

Mr. Ziemann reported that 90% of the grant award at Bullhead City was to get motorized boats out to the lake. There was a turn-out in the parking lot that was going to be set-aside for non-motorized boats so that when someone was launching their canoe they could do it at a place set-aside from the big boats that go out to Lake Havasu. That Bullhead City grant was the highest-scoring grant we had. In September the Board approved the funding for those grants. A step that the agency has to take is to take those grant requests that were approved for funding to the Joint Committee of Capital Review (JCCR) for their review. Statute says that JCCR is to review those grant awards – not review and approve – just to review.

Mr. Ziemann explained that JCCR, in a move that was not unprecedented, but a move that was very very rare, favorably reviewed all of those grants except for those two. They gave an unfavorable review for those two grants.

Mr. Ziemann noted that staff could have just gone ahead and executed those two grants anyway. However, staff returned them to the Parks Board Agenda and brought them back to the Board. Each of those grants was debated back and forth for a good 30-45 minutes. Ultimately, the Board decided that the grants needed to be funded anyway.

Mr. Porter added that there was an important factor that figures in the big picture. A key factor in the Board's discussion on the Buckeye Lake project was that the Board felt pushed into approving the study because it did appear from everything presented to them that that lake, regardless of everything else, was going to ultimately be large enough that it would meet the criteria to allow motorized boating. That is a major element that made the Board believe this was an appropriate SLIF grant.

Mr. Ziemann noted that now we come to March. Staff executed those contracts and alerted JCCR. He received a letter signed by Senator Burns and Representative Pearce expressing their displeasure with the actions of the Parks Board. He wrote a letter back explaining once again that the Board took their concerns very seriously and debated them in an open public meeting and that this is the decision the Board came to with all due respect.

Mr. Ziemann reported that now we have come to May. Representative Pearce is still very unhappy with the action the Board took on those two grants. There is no such thing as, "No," in that respect. He used an analogy that when you ask your teenage son to not use the car and even though your son considered your opinion and request, and used it anyway you would be upset. He's not happy with the Board at this time. While he has less concern with part of the JCCR request that dealt with Lake Havasu and getting a new water main for fire suppression that the Fire Marshall requested, the larger question was the \$1.5 million for planning and engineering work on the Contact

Point parcel. He raised some issues that Mr. Ziemann felt are important to be able to address cohesively. That was the reason for the call to Mr. Porter to contact the people at Lake Havasu and ultimately to request that the item be pulled from yesterday's agenda.

3. Update on Rules

Mr. Travous reported that the Rules have all been accepted. This means that people who were setting up tables and selling merchandise at Slide Rock State Park and who wanted to do so at Kartchner Caverns State Park can no longer do so.

4. Update on Picket Post House

Mr. Ream presented a PowerPoint presentation to the Board. He noted that the Picket Post House has been on a priority acquisition list with ASP since 1983. In 1985 the legislature appropriated money for the purchase of Picket Post House, but that deal fell through.

Mr. Travous noted that at that time \$12.6 million was set-aside in the budget for the purchase of Slide Rock State Park. The owners felt that if Slide Rock State Park was worth \$12.6 million they should get \$3.6 million. At that time the house was worth \$300,000-\$400,000. That is why the deal fell through.

Mr. Ream reported that the Parks Board toured this property last May. It is located in Pinal County, the fastest-growing county in Arizona. There's not much vacant land in Superior. This does represent a challenge for staff. There are 30 acres of vacant land included. The highest and best use for this property is vacant land.

Mr. Ream noted that BTA (Boyce-Thompson Arboretum State Park) is a "special" park. It is one park that ASP operates with the UofA (University of Arizona) and the Boyce Thompson Arboretum, Inc. (a private organization). Each contributes in some way to the operation of that park. Visitation is about 65,000 a year. They pay about \$8 to enter the park or they buy a family membership for between \$50-\$500. Three Board positions are held by ASP employees on the Boyce Thompson Arboretum, Inc. Board. He sits on that board, as well as Mr. Mark Siegwarth, and Mr. Charles Eatherly.

Mr. Ream reported that the Picket Post House was built by Col. William Boyce Thompson. According the appraisal staff had done, it is obsolete by today's standards. This is not a house that one could move into and make a home out of. Part of the house burned down in the 1960s. It was a part of the house that Col. Thompson had built after he had a stroke that included elevators to the second floor. That part was constructed of brick and wood. It was an addition to the original house. Some of the original furnishings are still in the house. There is a pool that was built by Col. Thompson that has beach entry. The pool was built using water from Queen Creek that ran in and out of the pool. Famous people once came and swam in the pool.

Mr. Ream reported that the current property is in good condition. Tours are given in the main house. They charge about \$5 a person. It is enough to offset most of their operating costs. Tours are done on a limited basis. The Rose family owns the property and gives the tours. They pay about \$5,000 in taxes on the property to Pinal County.

Mr. Ream stated that the outside areas of the house will require very little work. There are three main buildings that are part of the old house and some gardens.

Mr. Ream reported that the appraisal that the Board approved was performed by Southwestern Appraisal Associates. They tried several different approaches on this appraisal. There are not many comps for mining magnate mansions. They looked around the state for comps that would be comparable and went with this best use of open space. They came up with about \$60,000 per acre as what this property is worth. The vacant land comps in the area were \$27,000 to \$63,000 per acre. They felt that if someone were to move in, the best thing they could do was create vacant land out of it and begin fresh.

Mr. Ream noted that the reason the Board is looking at the Picket Post House now is that it's for sale. It is the very first time it has been on sale and the appraisal price is fairly close. They are asking \$3.2 million on the open market. We have an appraisal at \$2.8 million. We are optioned out of their realty deal. We can go directly to the Rose family because we have been dealing with them over the years. They told the realtors managing their sale that if they sell to ASP the realtors are out of it.

Mr. Ream noted that the owner is willing to work with us. They've partitioned the property into three pieces. They are eager to make money. They want to make a lot of money. They have had a lot of looky-loos but no offers. The property is also an in-holding of the UofA who has a 30-acre parcel to the east of that property, then this parcel and then the Boyce Thompson Gardens. The house and gardens used to be together. BTA Inc. sold the house in 1949.

Mr. Ream noted that the house is currently available for public tours. Should it become part of BTA, they could continue to run tours at the house, they could use the RV sites for volunteers, they could operate that part of the Arboretum. Long-range planning should be developed for the 30 acres – whether it be as a continuation of the gardens or whether it becomes an overnight opportunity for visitors. What should be done with the house? It could be used as a mining museum, create a house tour like we have done at Riordan Mansion, or it could be some sort of adaptive use (restaurant or tea room) to generate income for BTA.

Mr. Ream stated that, in the short term, the house could continue as it is. Even if only 1/3 of the people who visit BTA visit that house at \$5 each, the house would generate about \$100,000 a year. As he said, this is a special park. The money that is earned at BTA goes into the operation of the Arboretum. That revenue is about \$1.7 million per year.

Mr. Ream then turned to acquisition. There are a number of ways to do this. All parties could pony up a few million dollars each and buy it. The only real source of money available for this is from the Historic Preservation Fund. There is about \$1.7 million available per year from the Heritage Fund that goes into Historic Preservation. This money is usually given out in grants with \$150,000 held back for ASP projects. One scenario would be that \$700,000 per year be taken out of that money for the purchase of the Picket Post House. In the meantime, we would be looking for a "straw buyer" –

someone who could purchase the house and partition it for us so we could make these \$700,000 a year payments. That is one scenario. He has not gotten any farther than that.

Mr. Ream introduced Ms. Mary Irish, Chairman, Boyce Thompson Arboretum, Inc., part of our tripartite organization.

Ms. Irish addressed the Board. She stated that she represents one of the three partners of the BTA, and that is the Boyce Thompson foundation. They have enjoyed a tremendous tripartite relationship with ASP and the UofA for many years. She noted that this is an old institution – one that began in 1929. It is the oldest public garden in Arizona. It was founded and chartered by the man who built that house and who built many of the mines around the Superior area, Clifton, and places like that. For them, this is not only a part of their personal history, this is the original property. They would be very happy to have this property back. It is also an important part of the history of that entire region.

Ms. Irish stated that it also offers BTA a terrific opportunity to expand a great many opportunities not only for income potential, but for turning the park into something even more unusual and exciting. She noted that their 18-member board is in favor of the acquisition of this property and looks forward to working with the partners on an integrated plan on how to use this house and maintain it in the future. They hope that we can take this first step of finding funding for acquisition. She believes that if the Board does not get it now, it will be another 20 years before it would be available.

Mr. Scalzo asked if the foundation can provide any money to help the Board acquire the property.

Ms. Irish responded that they did not know. The foundation is not wealthy. One thing that they can do is raise money for this purpose. They have members, partners, and friends. They have corporations that support them. She believes the board would be very receptive to some modest contribution and very prepared to help raise money.

Mr. Porter asked whether, as a member of the tripartite partnership, the UofA might be interested in coming in with some purchasing funds for something like this.

Ms. Irish responded that they have begun the process of talking to the UofA Foundation to see what kind of participation, if any, they would be able to do or would be interested in doing. Those conversations are extremely preliminary. She doesn't know how much they would be interested.

Mr. Porter asked whether the foundation could be the straw buyer.

Ms. Irish responded that their foundation does not have enough money to purchase the property. They couldn't come up with the whole amount.

Chairman Cordasco noted that this is an update. He asked where the Board needs to go with it at this time.

Mr. Travous responded that staff need to come back to the Board at its next meeting after they have meetings with the other partners. Perhaps we could do a partnership. Staff will come back with ideas.

Mr. Porter asked if staff are looking to the Board for guidance as to whether this is something the Board wants to go forward with. He assumed staff at least wants the Board to authorize them to negotiate with the partners and the property owners to see if a feasible agreement could be worked out with the owners that then could be dealt with later by the partners.

Mr. Ream responded that he feels he needs that kind of leeway from this Board because he doesn't want to sit down with the sellers and just say we're interested. They then bend over backwards and say they can offer a bargain sale. And then he comes back to the Board and the Board says it is just too high a price to reach.

Mr. Travous noted that if the Board is going to do that, it should really be done in Executive Session. He suggested that staff come back to the Board with options at the July meeting. He asked whether there was any compunction on the part of the Board of looking at doing something like committing four years of money from the Historic Preservation Fund.

Mr. Woodling asked what the situation is with the Heritage Fund for these historic grants. He asked if that is money that can be taken away and if it's guaranteed every year.

Mr. Travous responded that it is not guaranteed. It is 17% of the Heritage Fund and is in statute. As long as the Lottery makes the money – which it has done over the last few years – the legislature cannot take that money away. They have tried in the past, but they've been unsuccessful thanks to the Heritage Alliance keeping that from happening. The Board has done this one time before when they purchased Spur Cross. Our Natural Areas money was used along with some Historic Preservation money over a period of 3-4 years. A million dollars would still be set aside a year under this scenario with an additional \$700,000 per year set-aside for the purchase of this house. We are still talking in generalities.

Mr. Colton asked if it didn't turn commercial what would the O&M be to run it.

Mr. Ream responded that he would look at other parks that are similarly situated. He would go to Jerome, which costs the agency about \$250,000 per year to operate that includes four employees and electricity. We spend about \$19,000 at McFarland in just operating dollars and \$150,000 in staffing a year. However, BTA hires its own staffing. If the house made \$50,000 a year, it would hire a couple of people to go up there and give tours. It could grow in that way. He suspects that if 30 acres become a state park, it would take \$250,000 a year to operate it.

Mr. Colton noted that Mr. Ream has said the house was not suitable to be a residence. He asked if there is a structural problem with it.

Mr. Ream responded that it was updated in the 1960s and 1970s. It has that feel in the kitchen. One could not just move into it as a modern house. The kitchen is on the lower floor; the dining rooms are upstairs. It uses a dumbwaiter. Not many people have butlers or house servants any more. It has servants quarters. It has things that do not conform to modern mansions. It would have to be totally renovated to be a modern mansion.

Mr. Porter noted that this can be something that could be very easily incorporated into an existing park without the Board committing a large amount of money that would have to be made up. The Board knows that some of the other properties it is looking at, i.e., San Bernardino, will never stand alone. They will never make money. The question is where to look for the Operations money.

Mr. Winkleman noted that the house is strange and not in condition for occupation. His question is how much money it would take for Risk Management to allow the Board to take people through it or turn it into a restaurant. He doesn't believe that's enough money.

Mr. Ream responded that there is no good answer for that. Old houses, old buildings, are money pits. This would be no different. There are ADA and fire suppression issues that would need to be resolved.

Chairman Cordasco asked Mr. Ream to summarize his needs.

Mr. Ream responded that he would like to meet with the Rose family and a conservation straw buyer and see how we can work together without committing this agency for more than \$2.8 million and come back to this Board with some background information to satisfy Mr. Winkleman's and Mr. Colton's concerns. He would like to do that by September.

Ms. Hernbrode asked what the term "commit" means

Mr. Ream responded that if he can make a deal for \$2.8 million he will bring it back to the Board. He cannot commit to the owners or the straw buyer. The commitment would have to come from this Board; then we can make this deal.

8. Update on Budget

Mr. Ziemann distributed two handouts – one relating to the budget and the other relating to the 48th Legislature 1st Regular Session 2007 Bills.

Mr. Ziemann began with an update on the budget. He noted that half-way down the sheet at the * we want to pay most attention to the line that says Enhancement Fund Offset. The first column says Executive GF 08 above Fiscal Year 2007. That is the \$1.5 million that the Governor has put in the Board's budget – it's additional money to the Board from the General Fund that reduces the Enhancement Fund (our revenue targets for our capital budget). She gives the Board \$1.5 million General Fund that correspondingly reduces the amount that we have to earn. The Governor had an additional \$1.5 million in her budget.

Mr. Ziemann reported that the Senate, which just passed their budget (SB 1086) yesterday, has an extra \$1 million for the Board for capital improvements. The House (HB 2781) provides an additional \$0 for the Board. That bill failed on Wednesday. They voted to reconsider it next Tuesday.

Mr. Ziemann reported that for the next Fiscal Year, 2009, the Governor has \$4.5 million extra for the Board for capital improvements. It gives back the 50/50 split in the

Enhancement Fund which is what state statute says should happen. The Senate gives an additional \$1.5 million. The House provides \$0.

Mr. Ziemann stated that staff continue to let the Governor's Office know that we support the Governor's budget. Talks between the House and Senate broke down last week. The Governor has indicated that the Senate's budget is the baseline for negotiations.

6. Legislative Update

Mr. Ziemann reported that there is very little left for them to do. He is still watching the Land Trust Reform package (HB 2312) that corresponds with HCR 2039 that Representative Nelson brought forward. While this measure is not dead, it is not moving either. In the two measures more than 18,000 acres are identified that are either contiguous to or located within existing state parks. Representative Nelson is telling members that it is likely these lands will appraise at between \$3,000 and \$5,000 dollars per acre. Under this proposal, our agency would need to purchase these lands at appraised value. That means in order to preserve those lands the Board would need over half a billion dollars. The Senate budget talks about \$1 million to \$1.5 million a year. That's a long time to make those purchases. There is a time limit of 4 years to purchase those lands. While people may be under the impression that the Board is able to purchase those properties, the Board has absolutely no way of preserving them for the future.

Mr. Ziemann reported that the OHV bill (HB 2443) failed on the floor of the Senate. There is a potential that it could still come back. There was a vote to reconsider that was approved, but Senator Bee has not rescheduled it yet. Representative Weiers, sponsor of the bill, is confident he has the necessary 16 votes in the Senate. It would still have to go back to the House for their review. It is still potentially alive.

Mr. Ziemann added that the other bill he is watching is the Railroad Siting bill – HB 2020. This is the bill regarding the rail road yard proposed near Picacho Peak State Park. This bill requires the railroad to go through the Corporation Commission to conduct a study to determine whether this is the best appropriate location for it.

Mr. Porter asked why the OHV bill is controversial.

Mr. Ziemann responded that there are a lot of things people don't like about it. It provides for a fee people don't pay now. Some don't like the distribution of the money. Most of the money goes for law enforcement. People see OHV as their last bastion of freedom. They can do what they want wherever. Some want control and want trails. That's problematic because it's very difficult to find places and agencies to take on the responsibility to put these things on the ground. He noted that the opposition came from Democrats and Republicans.

At this point, Mr. Travous noted that staff thought Ms. Elizabeth Stewart would be present at this meeting to receive her Lifetime Pass. He read a proposed letter for the Board Chairman to sign. The Board concurred with that letter, and it will be sent shortly.

At this time (12:45 p.m.) Mr. Winkleman left the meeting for another commitment. A quorum was maintained.

7. Update on San Rafael Ranch

Mr. Ream reported that there was a fire on the ranch. There was another fire yesterday on the neighboring San Antonio Ranch. That fire is contained, if not out. There is a fire danger there. We will probably see a lot of that this summer there and all over the state.

Mr. Ream reported that the 2006 monitoring has been completed. The final report should be out in the next week or so. Dr. George Ruhl (UofA) performed the monitoring. Staff believe we got a good product from them. After the document is reviewed, there will be a meeting with Mr. Ross Humphries to discuss 2007 monitoring. We are moving ahead with our relationship with Mr. Humphries. Staff appreciate Mr. Woodling's participation in this process. He has been a great help in getting these things done.

Mr. Porter noted that he needs all information on the fire, including the extent of damage and what was lost at San Rafael, prior to the June 8th Arizona Historical Society meeting so he can answer any questions Mr. Wally Armer or Mr. Robert Sharp may have. They will want to know how many trees were lost. That is something they were very concerned about a month ago. He doesn't want to be caught off guard. He asked if we are in real danger of another fire occurring there.

Mr. Ream responded that he will endeavor to put together an inventory of what was lost. Fire is a tool and these places burn about every seven years. Riparian areas are hard to protect. There will always be a danger for damage by fire there. Staff will look to see whether it was caused by man or nature.

F. UPDATE BY OFFICE OF THE ATTORNEY GENERAL

1. Update on Mabery Issue

Ms. Hernbrode noted that she is not asking for any action from the Board. She will come back to the Board before the end of the year with a Decision from the Court of Appeals and additional action to be taken.

Ms. Hernbrode referred to a slide that showed the City of Cottonwood and Dead Horse Ranch State Park, which she referred to throughout the presentation. She explained that the park is now within the boundaries of the city and pointed out the location of the Mabery Ranch in relation to the park. She referred to a multi-million dollar bridge that ASP put in. She showed the routes that the Maberys used to get to and from their property. Ms. Hernbrode then made a presentation which included the following historical information.

ASP acquired the park in approximately 1974. Today the Mabery Ranch parcel is about 10 acres. ASP has continued, over the years, to acquire parcels around their property and up and down the Greenway. The Mabery property is now surrounded by ASP's property. Historically, there were multiple ways to get into and out of both parcels. The Maberys most frequently came in along a road that was the historic Tuzigoot Road.

When ASP acquired the park, we built a route that bypassed the park but allowed residents in the vicinity of the Maberys to access their property..

The Mabery property was originally used as a residential property with some farming or ranching. The Mabery family decided they wanted to run a western-theme restaurant and show on their property. The Fire Marshall said it would be difficult for fire trucks to make a corner in the road should they have to respond to a fire at the site. As a result, ASP entered into easement agreements with them whereby all their easements were consolidated into a replacement easement. The Maberys gave up use of all their accesses except they specifically retained the right to use Tuzigoot Road. At the same time ASP was concerned that the Maberys did not have the right to use any of their easement for commercial purposes. A license agreement was negotiated so that the Maberys could use the replacement easement for commercial purposes. The Maberys agreed to enter into the license agreement. Their feeling was that the license agreement allowed them to offset any additional cost to the park because of dust noise or traffic.

At that time the Board felt that to give the Maberys commercial access, when ASP believed that they had no right to commercial access, would be an unconstitutional gift.

When the license expired five years later, negotiations to renew the license agreement failed.

Mr. Travous noted that their comment was that they didn't need an agreement. The Board then tried to accommodate the Mabery's concerns without giving them a gift.

Ms. Hernbrode noted that the Board never blocked the Mabery's access during this process. A Notice of Reservation of Rights was filed that simply called attention to the fact the Board disputed that they had a commercial right to use the road. The Board continued to try to negotiate.

Finally, after negotiations broke down, the Board made a decision that neither party could resolve the issue and filed a Declaratory Judgment Action. A Declaratory Judgment Action asks the court to decide which side is right. The Maberys counter-sued stating that ASP was inversely condemning their property, our Notice of Reservation of Rights was a false lien, and that we interfered with their use of Tuzigoot Road. The parties ended up going to trial on this issue in Prescott. Prior to going to trial, the judge made determinations that the Maberys had unlimited access. Jim Morrow and Ms. Hernbrode represented ASP at trial. We lost. The jury determined that the Maberys had a right to use Tuzigoot Road and designated a route that stops in the middle of the park and was never part of Tuzigoot road. The Maberys took the position that the jury had given them access to Tuzigoot, and that the judge just needed to complete the easement by extending it to the North boundary of the park.

Just past the North boundary of the park, Tuzigoot Road descends into what is now a marsh, and becomes impassible. The marsh is now considered an Audubon important bird area, and will soon be owned by (if it is not now) the National Park Service. It is extremely unlikely that the owners will allow anyone to put a road through the marsh.

After the trial, the Board agreed to appeal the case to the Court of Appeals. We appealed seven different issues. We disagreed with the Maberys that our filing a Declaratory Judgment Action asking the judge to determine our rights was a breach of the Constitution; we disagreed with the Maberys that the statute of limitations and notice of claims statutes were inapplicable to this action; we disagreed with them that ASP was liable under the false lien statute or that punitive damages should have been awarded; that they should have been awarded the easement over "Tuzigoot Road"; and finally that the Judge should have granted summary judgment regarding their access rights over the Replacement Easement.

Ms. Hernbrode reported that the Maberys counter-claimed. They had two issues. They asked for a piece of property back that they sold to ASP in 1991, and they requested interest payments from the date of the taking. Both of these issues had been denied by the trial judge.

Ms. Hernbrode noted that Oral Arguments were held last month. We expect a decision some time this year. There is no way to say when they will make their decision. This is a complicated case. Under the best case scenario, we could go back to Prescott to retry this case. Depending on the Answer of the Court of Appeals, we could go to the Supreme Court. She noted that the Maberys have the ear of the local media pointing out how ASP has been "picking on them". She does not anticipate any discussions of settlement on this issue.

Ms. Hernbrode noted that she provided a memorandum to the Board last May. She can provide it to the new Board members if they want it.

Mr. Porter noted that sometimes the Court of Appeals will ask questions when they hear arguments. He asked if there were any clues as to what their thinking might be.

Ms. Hernbrode responded that it was an interesting case. Unfortunately we did not provide maps when we filed. We went first and had about 20 minutes to start with. Court took the first 15 minutes attempting to orient themselves and figure out where things were. Both ASP and the Maberys were permitted to make up that time. She thought they asked very good questions of the Maberys. One was what about asking a court to decide an issue of what is a taking. They also asked the Maberys to identify when their damages began to accumulate. The Maberys had a difficult time responding to that question. On the other hand, when the court talked about the filing of the Notice of Rights, they noted that it was not the state's finest hour.

Mr. Woodling noted that Ms. Hernbrode had earlier stated that now there is a second access on paper at Tuzigoot and that now they can legally build condos. He asked if they build condos there, would it be a distraction from the park.

Ms. Hernbrode responded that it would not be a huge problem for ASP if the road went through, but it is unlikely the owners of the property to the North would allow it.

Mr. Travous noted that their theme park has been losing money. One of the damages they claimed at the trial was they couldn't get a loan because of the Reservation of Rights. They never made an application for a loan to a bank. They had a letter that was sent by the bank that said they could not get a loan.

Mr. Colton asked if he understood correctly that the park is in the city.

Mr. Ream responded it was incorporated into the city so that the city could lay claim to a state land parcel.

Ms. Hernbrode added that the lower part of the park is in the city limits. The benefit was to hook into the city sewer and water. The city is incorporated. This happened within the last three or four years.

Mr. Woodling asked how we enclose their property.

Ms. Hernbrode responded it is through the Verde River Greenway, and through acquisition of properties along the Greenway, as well as other entities (US Forest Service).

Mr. Porter noted that Ms. Hernbrode and ASP staff really went to the wall for the Board on this. He noted that, in his opinion, the judge was prejudiced against ASP.

G. CALL TO THE PUBLIC

There was no public remaining at this time.

H. TIME AND PLACE OF NEXT MEETING AND CALL FOR FUTURE AGENDA ITEMS

1. Staff recommends that the next Arizona State Parks Board Meeting be held at Red Rock State Park on July 18-19, 2007.

Mr. Travous reported that the July 18-19 Parks Board meeting will be held at Red Rock State Park. It is a two-day meeting, with the first day focusing on strategies – specifically Strategy #4.

Chairman Cordasco requested that a summary be included of what was said on the strategies that have already been done.

Mr. Travous added that the second day will be the approval of the budget and Board business.

Chairman Cordasco noted that the meeting will begin at 11:00 a.m. on Wednesday, July 18 and run to 4:00 p.m. The meeting on Thursday, July 19 will begin at 10:00 a.m. and end at adjournment.

2. Board members may wish to discuss issues of concern and request staff to place specific items on future Board meeting agendas.

Chairman Cordasco reported that the Board needs to find a replacement for John Hays on the Hopi Commission to create a park system. Mr. Hays resigned due to medical reasons.

Chairman Cordasco stated he would like the Board to adopt a creed.

Chairman Cordasco thanked the ASP IT section for their hard work and enthusiasm. This is a great opportunity for ASP to be in a leadership role. It is appropriate for us to disseminate information to other entities.

I. ADJOURNMENT

Mr. Woodling made a motion to adjourn. Mr. Porter seconded. The Chairman adjourned the meeting at 1:45 p.m.

Pursuant to Title II of the Americans with Disabilities Act (ADA), Arizona State Parks does not discriminate on the basis of disability regarding admission to public meetings. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the acting ADA Coordinator, Karen Farias, (602)364-0632; or TTY(602) 542-4174. Requests should be made as early as possible to allow time to arrange the accommodation.

William C. Cordasco, Chairman

Kenneth E. Travous, Executive Director